

ARTICLE 5

SECTION 14

SNEEDE V. KIZER

1. BACKGROUND

Federal law limits financial responsibility for medical care to parent-for-child and spouse-for-spouse. This means that the income and property of a parent or spouse may only be used in determining Medi-Cal eligibility and share of cost for himself/herself, his/her spouse, and/or natural or adopted child(ren).

Under the Sneede v. Kizer court order, the county may no longer include in a single Medi-Cal Family Budget Unit (MFBU):

- * Family members on the basis of their step-relationship; or
- * Children who have their own non-exempt income and/or property; or
- * Unmarried parents; or
- * Caretaker relatives

IF their inclusion results in a share of cost or ineligibility due to excess resources.

On November 16, 1995, the U.S. District Court issued an order in Gamma v. Belshe concluding that income deemed to a child under the existing Sneede procedure is not "available" to the child to the extent that it includes income that should have been allocated to first meet the parent's needs. In order to comply with the court order, the old Sneede income allocation procedure (which divides a parent's countable income by the number of persons for whom he/she is responsible, including him/herself, and allocates the divided income to each person for whom the parent is responsible) is replaced by the new procedure which allows each parent a \$600 deduction from his/her countable income before the allocation takes place.

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2. IMPLEMENTATION OF SNEEDE CHANGES

Implementation of the Sneede procedures began April 1, 1991. These procedures must be applied to those cases which have a stepparent, or child with own income or property, or unmarried couple with mutual children, or caretaker relative who is an eligible member of the same MFBU with the children for whom care is provided, AND there is a share of cost or ineligibility due to excess property under the existing regulations.

When a family meets the property limits but has a share of cost under existing regulations, workers will apply the Sneede procedures only to the share of cost determination. Conversely, when a family has excess property and zero share of cost under existing regulations, workers will apply the Sneede procedures only to the property determination. When a family has both

excess property and a share of cost under existing regulations, workers will apply the Sneed procedures first to the property determination and then to the share of cost determination. The share of cost and property determinations are TWO SEPARATE AND INDEPENDENT DETERMINATIONS.

Example: A family of three (father, mother and a common child) applies for Medi-Cal, the common child has a savings account with a balance of \$200 but has no own income. The family is determined to be eligible for benefits with a SOC of \$250. In this situation, Sneed procedures will not apply even though the child has his separate property. The reason is that even with the child's property included, the family's property is still within the property limit and therefore, no Sneed property determination is needed. Next, since the family has a SOC, the worker needs to determine whether the child has income of his own. Since the child has no own income, there is no Sneed class member in the MFBU for Sneed income determination purposes. After determining that there is no Sneed procedure needed in this case, the worker will evaluate whether the child may be eligible for zero SOC Medi-Cal under Special Percentage Programs depending on the child's age and the family's income.

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Under the Gamma v. Belshe court order, each parent will be allowed a \$600 income deduction for his/her needs (which represents the maintenance income level for one) prior to equally allocating income to the family. Since the parent is allowed a \$600 deduction, he/she shall not be included as a family member when the remainder of his/her income is allocated to the family members for whom he/she is responsible.

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3. LINKAGE TO THE MEDI-CAL PROGRAM

The court order does not impact any existing Medi-Cal regulations on linkage. Workers will continue to determine the MFBU composition and Medi-Cal linkage as specified under existing Medi-Cal regulations.

4. MFBU, PROPERTY AND SHARE OF COST DETERMINATION

Once the MFBU has been established and is determined to be otherwise eligible, the workers will determine whether the MFBU has excess property and/or a share of cost. If so and it contains a Sneed class member, workers will apply these interim Sneed procedures to the property and/or SOC determination.

5. RESPONSIBLE RELATIVE DETERMINATION

In order to properly allocate income and/or property under the spouse-for-spouse and parent-for-child requirement, the worker will identify the family members (including excluded children) for whom the spouse or parent are financially responsible. Unborn children will not receive any parental income or property allocation and will not be identified in the responsible relative determination.

Example of responsible relative determination: The family consists of a married couple, their mutual child, their unborn child and the husband's separate child.

<u>Parent/Spouse:</u>	<u>DAD</u>	<u>MOM</u>
Others for whom parent/spouse is responsible.	Mom Mutual child Separate child (3)	Dad Mutual child (2)

Dad will receive \$600 deduction from his income to meet his own needs. Dad's property and the remainder of his income would be divided by and allocated to the four persons for whom he is financially responsible; himself (property only), his wife, their mutual child and his separate child.

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Mom will receive \$600 deduction from her income to meet her needs. Mom's property and the remainder of her income would be divided and allocated to the three persons for whom she is financially responsible; herself (property only), her husband, and their mutual child.

The unborn does not receive an income or property allocation.

6. INCOME AND PROPERTY ALLOCATION

One of the major differences between Sneede and non-Sneede cases is the treatment of income and property. Under Sneede, there is an equal allocation of income and property from the spouse and/or parent to himself/herself (property only), his/her spouse and/or natural or adoptive children. Income and property can only be allocated in that one way direction. In other words:

- * A child's own income or property cannot be used to determine eligibility or share of cost for anyone other than himself/herself;
- * Each unmarried partner's income or property can only be used to determine eligibility or share of cost for himself/herself and his/her own natural/adoptive children;
- * Each married partner can allocate income and/or separate and 1/2 community property to himself/herself (property only), his/her spouse, and own natural/adoptive children;
- * A stepparent's income or property can only be allocated to himself/herself (property only), his/her spouse and his/her natural/adoptive children;
- * There is never an allocation from anyone other than a spouse or natural/adoptive parent; and
- * There is never an allocation to an UNBORN.

Under the existing rules, an entire MFBU may be determined ineligible due to excess property or have a share of cost. Under the interim Sneede procedures, some family members may be determined property eligible while others may continue to be ineligible due to excess property. Similarly, some family members may have zero SOC, while others may have different SOC amounts.

Income and property are allocated by dividing the net non-exempt income or property by the number of people the parent or spouse is responsible for.

A. Income Deductions

The following income deductions will be applied prior to the allocations:

- 1) Each unmarried ABD partner or parent of a Blind/Disabled child shall receive a full set of the ABD Income Deductions and exemptions. (\$65 plus one-half earned income deduction and \$20 any income deduction.)
- 2) Each Blind/Disabled child with own income shall receive a full set of the applicable ABD income deductions and exemptions.
- 3) A married couple (at least one of whom is ABD or has a Blind/Disabled child) will each receive a full set of the ABD income deductions.
- 4) All other family members shall receive applicable AFDC-MN/MI income deductions and exemptions.
- 5) Deductions for health insurance premiums are allowed only to the family member from whose income health insurance premium is paid.
- 6) The \$50 deductions for child/spousal support received by AFDC-MN/MI family members will be prorated among the family members for whom the support payments are intended.
- 7) A \$600 deduction will be allowed from each parent's income.

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B. Verification of Ownership of Income

Workers will need to verify ownership of income as well as the gross amount. Some agencies (e.g. Social Security Administration) issue benefits for more than one person under one name. A wife, widow or ex-spouse may receive a benefit check for herself and/or on behalf of her children. Workers need to view the award letter or other equivalent verification to determine the gross benefit amount for each person. This is also true of spousal and child support payments. A child's support payment may only be attributed to the child for whom the payments were intended.

C. Treatment of In-Kind Income

- 1) In-kind income received by an entire MFBU is equally prorated among the members of the MFBU.
- 2) In-kind income received by a parent is not allocated to the natural/adopted child(ren). See Appendix A (example of income allocation).
- 3) When a member of the MFBU provides the full item of need, there is no in-kind income to be considered for the other members of the same MFBU.
- 4) When a stepparent is the MFBU, his/her income and property are counted as part of the MFBU's budget computation. Therefore, there is no in-kind income from the stepparent to the other members of the MFBU.
- 5) When a stepparent is not in the MFBU but is providing a full item of need, the worker will determine the value of the income in-kind based upon the number of stepchildren in the MFBU. The value of the in-kind income is equally allocated to only the stepchildren. This is considered to be the stepchildren's own income. There is no in-kind income to spouse.

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D. Property Exemptions

Whenever existing Medi-Cal property regulations specify that an MFBU may exempt only one item of a particular type of property and the MFBU owns more than one of that item (e.g., the MFBU owns more than one motor vehicle), the applicant can choose which item to exempt.

NOTE: It may not always be to the MFBUs advantage to exempt the item of greatest value.

- 1) One principal residence exemption in addition to a full set of property exemptions (i.e., the car and the first \$6,000 of utilized other real property) will be given to each unmarried partner. If the unmarried partner does not want to use his/her exemption or has no property against which to apply the exemption, it may be passed on to his/her natural/adopted child.
- 2) The MFBU of a married couple will continue to be allowed only one set of property exemptions.
- 3) A full set of property exemptions will be allowed to a caretaker relative (if he/she is applying for benefits and included in the MFBU with the children of whom care is provided) and another full set of property exemptions will be allowed to the children for whom care is provided.

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See Appendix B (example of property allocation).

7. MINI BUDGET UNITS

The term "mini budget unit" (MBU) will refer to the new family subunits derived from the initial MFBU composition. A single family may have numerous MBUs. A responsible relative determination is not the same as an MBU determination.

Net nonexempt income allocated from a parent or spouse to a natural/adopted child or spouse will be added to that child's or spouse's own income after the earned and unearned income deductions have been applied. The child's or spouse's total net nonexempt income (which includes the parental/spousal allocation) will be added to the total net nonexempt income of other family members in the MBU if any. The MBU's total net nonexempt income will be compared to the maintenance need for that MBU.

8. SEPARATE MINI BUDGET UNIT DETERMINATION FOR PROPERTY AND SHARE OF COST

It is possible that the MBU composition for the property determinations will not be the same as the MBU compositions for the share of cost determinations. This is due to considerations such as children who may or may not have both income and property of their own, or a stepparent who may or may not have income and property, etc.

9. MINI BUDGET UNIT DETERMINATION

The following guidelines shall be applied:

A. In All Situations

1) Unborn child(ren):

- a) When the MFBU contains a pregnant minor and her unborn, the unborn will be in the same MBU with its mother.
- b) When the MFBU contains a pregnant woman, her unborn will be placed in the pregnant woman's MBU.
- c) When the pregnant woman is not in the MFBU because she is on PA/other PA, the unborn is in the father's MFBU/MBU. If neither parent is in the MFBU, the unborn is not in the MFBU nor in an MBU.

2) Ineligible family members (regardless of the basis for ineligibility) are listed in the MBU(s) in accordance with these guidelines.

3) Excluded children are not listed in any MBU.

4) Family members from the same MFBU can be listed in only one MBU.

- 5) A minor mother (with born children) who lives at home with her parent(s) is shown as an eligible person in her natural/adoptive parent(s)' MBU if she does not have her own income or property. If she does have her own income or property, the minor mother will be in her own MBU.

This minor mother will also be shown as an ineligible person in the same MBU with her natural/adopted child(ren) who have no income or property of their own, if interim Sneede procedures apply in this MFBU. If all of the minor mother's children have their own income or property, the minor mother and her children will each be in a separate MBU.

B. Married Spouses and Mutual Children (No Stepchildren)

- 1) List married spouses in single MBU. Also list in their MBU all mutual children with no income or property of their own.
- 2) List each child with own income or property in his/her own separate MBU.

C. Married Spouses (Stepparent) Mutual and Separate Children

- 1) List married spouses in single MBU. Also list in their MBU all mutual children with no income or property of their own.
- 2) List all separate children of parent A with no income or property of their own together in a separate, single MBU.
- 3) List all separate children of parent B with no income or property of their own together in a separate, single MBU.
- 4) List each child with own income or property in his/her own, separate MBU.

EXAMPLE: The MFBU consists of a married couple, the mother's 2 separate children (C1 and C2), their mutual child (C3), and the father's separate child (C4). None of the children have income or property of their own. The MFBU has a SOC.

<u>MBU</u>	<u>MBU Rule</u>
1. Mother, Father, C3	Married couples stay together with mutual children who have no income or property.
2. C1 and C2	Separate children of the same parent with no income or property stay together.

MBU

MBU Rule

Stepchildren cannot be with their stepparent.

3. C4

Stepchildren cannot be with their stepparent.

D. Married Parent's Separate Children Who Want Medi-Cal (Stepparent Household)

The MFBU consists of an ineligible parent and the separate children who want Medi-Cal.

- 1) List the parent (not the parent's spouse) and her/his separate children with no income or property who want Medi-Cal in a single MBU.
- 2) List each separate child with own income or property who wants Medi-Cal in his/her own, separate MBU.

EXAMPLE: A married couple live with their mutual child, the wife's two separate children, and the husband's separate child. They apply for Medi-Cal for only one of the wife's separate children. The child receives child support.

The MFBU will only consist of the ineligible mother and her eligible child. The MFBU has a SOC or excess property under existing regulations.

MBU

MBU Rule

1. <Wife>
ineligible

Parent in own MBU because child has own income.

2. Wife's
separate child

Separate child who wants Medi-Cal and has own income will be in a separate MBU.

E. Single Parent, Children

- 1) List parent and all his/her children (full and half siblings) with no income or property of their own in a single MBU.
- 2) List each child with own income or property in his/her own separate MBU.

EXAMPLE: The MFBU consists of a single parent, 2 full siblings C1 and C2 and a half sibling. C2 has own income or property. The MFBU has a SOC or excess property under existing regulations.

<u>MBU</u>	<u>MBU Rule</u>
1. Mother, C1 and C3	Single parent, and children (full or half siblings) with no income or property are together.
2. C2	A child with own income or property will be in own MBU.

F. Unmarried Partners, Mutual and Separate Children

- 1) List each partner in a separate MBU.
- 2) List all mutual children with no income or property of their own in a single MBU separate from either parent.
- 3) List all parent A's separate children with no income or property of their own in parent A's MBU.
- 4) List all parent B's separate children with no income or property of their own in parent B's MBU.
- 5) List each child with own income or property in his/her own separate MBU.

EXAMPLE: The MFBU consists of an unmarried couple, the mother's 2 separate children (C1 and C2), their mutual child (C3), and the father's separate child (C4). C2 is the only child with his own income or property. The MFBU has a SOC.

<u>MBU</u>	<u>MBU Rule</u>
1. Mother, C1	Unmarried partners cannot be together. Separate children with no income or property are together with their natural or adoptive parent(s).
2. Father, C4	Same as above.
3. C2	A child with own income or property will be in own MBU.
4. C3	Mutual children with no income or property cannot be with their unmarried parents.

G. Married Minor Child Living in the Home

A married minor child's parents are considered to be financially responsible for the minor child according to Medi-Cal rules. Sneede rules specify that a married couple be together in a mini-budget unit (MBU) (for example, the minor child and spouse). Sneede also specifies that a child without income be included in the MBU with the parent(s) if there is no stepparent. The minor's parent(s) and minor's spouse have financial responsibility for the minor child.

ACWDLs 98-17,
and 98-23

In order to meet Sneede income deeming rules, there is a maximum of three MFBU's for the married minor child depending on whom in the household wishes to be aided.

1) MFBU 1

The first MFBU contains all the family members of the minor living in the home (for example, the married minor's parents or stepparent, siblings, married minor's children, and the married minor's spouse). All are ineligible except for the married minor. As always, all income of these persons is counted. Although all the family's income is counted, they would receive the benefit of a large maintenance need level. There is no in-kind income between persons in the same MFBU. This MFBU would be subject to modified Sneede rules (see below) if the MFBU met the criteria of inappropriate deeming to the eligible minor child and this causes him/her to have a SOC.

Sneede prohibits inappropriate deeming. However, Sneede rules must be modified to address this MFBU since Sneede rules would be contradictory if applied to this situation. Since only property ineligibility or SOC in this MFBU impacts the minor, inappropriate deeming is prohibited by disregarding any income/property in this MFBU except from the married minor child, the married minor child's parent(s) or married minor child's spouse. See Example B below.

2) MFBU 2

The second MFBU contains the married minor's spouse, the married minor's children, and the married minor as ineligible if the spouse and children wish to apply. The married minor's income is counted again, which is similar to the treatment of an unmarried minor. This MFBU would be subject to Sneede rules if one of the children had income, or the minor or the spouse is a stepparent.

3) MFBU 3

The third MFBU contains the married minor's parent(s) and/or parent's spouse, siblings, and the married minor as an ineligible member if the minor's parent and/or spouse and their children (siblings to the married minor) are requesting Medi-Cal. The modified Sneede rules apply here same as above.

4) Examples

a) Example A: No Inappropriate Deeming

Mary is an 18-year old pregnant married minor parent. She lives with her parents, her 16-year old sister, her spouse and their two mutual children. She has no income. The children and sister have no income. Her spouse works part-time (under 100 hours) and earns \$500 income per month. The minor's parents work full time. The minor's mother earns \$1,000 net nonexempt income per month and the father earns \$1,500 net nonexempt income. The family is property eligible. Since Mary is not deprived, she must be eligible as a Medically Indigent person under 21 or under the FPL programs. The parents are not eligible because they are not aged, blind, disabled, etc. Mary's spouse and children are evaluated under the Medically Needy program because of unemployed parent deprivation. The family pays no health insurance premiums. See below for MFBU compositions, eligibility, and additional actions as needed.

MFBU 1	MFBU 2	MFBU 3
Mary	[Mary] IE	[Mary] IE
[Mary's parents] ineligible(IE)	Mary's Spouse	[Mary's parents] IE
[Mary's spouse] IE	Mary's 2 Mutual Children	Mary's sister
[Mary's 2 Mutual Children] IE	Mary's Unborn	Mary's unborn
[Mary's Sister] IE		
Mary's Unborn		
Total net income =\$3,000	Total net income =\$500	Total net income =\$2,500
MNIL for 8 =\$1,692	MNIL for 5 =\$1,259	MNIL for 5 =\$1,259
Mary's SOC =\$1,308	Spouse and Children have no SOC	Sister's SOC =\$1,241
Evaluate Mary for the 200% Program for 8 = \$5,600		Evaluate Sister for 100% Program for 5 = \$1,950
Mary is eligible.		Sister is not eligible.

b) Example B: Inappropriate Deeming Applies

Same scenario as in Example A, above, except that Mary has \$100 per month net nonexempt income, the two children of Mary's spouse are his separate children and Mary's sister has net nonexempt income of \$50 per month. See below for MFBU compositions, eligibility, and additional actions as needed.

MFBU 1	MFBU 2	MFBU 3
Mary	[Mary] IE	[Mary] IE
[Mary's parents] IE	Mary's Spouse	[Mary's parents] IE
[Mary's spouse] IE	Spouse's Children	Mary's sister
[Spouse's Children] IE	Mary's Unborn	Mary's unborn
[Mary's Sister] IE		
Mary's Unborn		
Total net income=\$3,150	Total net income =\$600	Total net income =\$2,650
MNIL for 8 =\$1,692	MNIL for 5 =\$1,259	MNIL for 5 =\$1,259
Mary's SOC =\$1,458	Spouse and Children have no SOC	Sister's SOC =\$1,391
Evaluate Mary for the 200% Program for 8 = \$5,600 Mary is eligible.		Evaluate Sister for 100% Program for 5 = \$1,950 Sister is not eligible.

(1) MFBU 1

In the first MFBU, the only eligible person is Mary. The only inappropriate deeming which affects Mary is the income from Mary's sister (a child with income). Rather than set up the usual MBU for all the various persons in this MFBU, for ease of administration, disregard any income/property from persons who are not responsible for the one eligible married minor person in this MFBU. In this case, Mary's sister is not responsible for Mary; therefore, her \$50 will be disregarded. The remaining income will be compared to the regular Maintenance Need Income Level (MNIL) for the entire family, including Mary's sister. If there is a SOC, evaluate for the Income Disregard program, if applicable. Compare the same amount (without Mary's sister's income) to the appropriate FPL for eight as shown in the table below.

Mary	\$ 100
[Mary's parents] IE	\$ 2,500
[Mary's spouse] IE	\$ 500
[Spouse's separate children] IE	\$ 0
Mary's unborn	\$ 0
Mary's sister's income (\$50) Uncounted	
Total income	\$3,100
MNIL for 8	\$1,692
Mary has a SOC of	\$1,408

Evaluate Mary for 200% FPL
Program for 8 = \$5,600
Mary is eligible.

(2) MFBU 2

The second MFBU contains Mary as an ineligible person, her spouse and his children. Assume only the spouse's separate children wish to apply. First determine how much of the spouse's income is allocated to Mary and the separate children to see how much of the spouse's income is in the MFBU. Since the spouse has less than the \$600 parental needs allowance, nothing is allocated. The entire \$500 is available to the MFBU. If there were a remainder, this would be divided by the number of persons for whom the spouse was responsible (three) (Mary and his two children).

[Spouse] IE	\$ 500
Spouse's separate children	\$ 0
Total	\$ 500

MNIL for 3	\$ 934
SOC for separate children	\$ 0

If the spouse requests Medi-Cal, follow the regular Sneede methodology for a stepparent household when all the persons in the household request Medi-Cal. The table below shows the MBU composition.

MBU 1	MBU 2
[Mary] IE	Spouse's separate children
Spouse	
Mary's unborn	

Mary will not allocate any income to the spouse's separate children.

(3) MFBU 3

The third MFBU contains Mary as ineligible, Mary's unborn, Mary's ineligible parents, and Mary's sister.

Regular Sneede rules apply because this MFBU has a SOC and the MFBU has two children with income, Mary and Mary's sister.

[Mary] IE	\$ 100
Mary's unborn	
[Mary's parents] IE	\$ 2,500
Mary's sister	\$ 50
Total net nonexempt income	\$ 2,650
MNIL for 5 =	\$ 1,259
SOC	\$ 1,391

Sneede Computation:

MBU 1	MBU 2	MBU 3
[Mary's parents] IE	[Mary] IE	Mary's sister
	Mary's unborn	

Each parent is responsible for their spouse, Mary, and Mary's sister. Each may keep \$600 for their own share and allocate the remainder divided by three.

Mary's Mother: $\$400/3=\133 to Father, Mary, and Mary's sister.

Mary's Father: $\$900/3=\300 to Mother, Mary, and Mary's sister.

Since there are no eligible persons in MBU 2, this MBU will not be discussed.

MBU 1		MBU 3	
Mother's own share	\$600	Mary's sister's income	\$50
Mother's allocation from Father	\$300	Allocation from Mother	\$133
Father's own share	\$600	Allocation from Father	\$300
Father's allocation from Mother	\$133	Total	\$483
		MNIL	\$312
		SOC	\$171

Mary's sister is under age 19; therefore, she should be evaluated for the 100% FPL program. The total net nonexempt income of both parents is \$2,500 and her income of \$50 for a total of \$2,550. Compare this to 100% FPL for 5 (in this example, \$1,950). Mary's sister is not eligible for the 100% FPL program.

H. Caretaker Relative Household

A caretaker relative is financially responsible only for himself/herself, his/her spouse, and his/her own natural or adopted children. The caretaker relative's income and property cannot be used to determine Medi-Cal eligibility or share of cost for other children who are under his/her care or supervision.

A caretaker relative, who can establish linkage without the children for whom care is provided, may choose to be in an MFBU by himself/herself or with the children for whom care is provided.

MFBUs and MBUs will be constructed as follows:

- 1) Caretaker relative can establish linkage on his/her own (without the child for whom he/she provides care)

In this situation two MFBUs would be established: (1) the caretaker relative, and (2) the child(ren) for whom he/she provides care. If the children's MFBU is property ineligible or has a share of cost, separate MBUs will be established for each child with own income or property. All other children with no income or property will be grouped together in a single MBU.

- 2) Caretaker relative doesn't wish to file for Medi-Cal for himself/herself only the children want Medi-Cal

Establish the MFBU with the child(ren) only. If there is a SOC or excess property, separate MBUs will be established for each child with their own income or property.

- 3) Caretaker relative has no spouse or children, cannot establish linkage on his/her own, and wants Medi-Cal benefits

Establish the MFBU with the caretaker relative and the children. If the MFBU has a SOC or excess property, separate MBUs will be established for the caretaker relative and for each child with their own income or property. All other children with no income or property will be grouped together in a single MBU.

10. MAINTENANCE NEED INCOME LEVELS AND PROPERTY LIMITS

Under the Sneed procedures, each mini budget unit's maintenance need income level (MNIL) and property limit will be determined in the following manner:

- A. Separate MBU determinations for property and SOC may be required. This would depend on whether children have both income and property of their own, or whether a stepparent has both income and property, etc.

EXAMPLE: Four siblings with own property are placed in four separate MBUs for property determination. However, not all of these children have income of their own. For the SOC determination, the siblings with no income of their own are grouped together in the same MBU. Each of the sibling with his/her own income is placed in a separate MBU.

- B. One or more MBUs are property ineligible. If one or more MBUs are property ineligible after application of the Sneed procedures, workers must determine whether linkage for the other family members still exist. If linkage still exists, workers will determine the family's income and share-of-cost under these procedures.

- C. Amounts - (See Appendix I - Sneed Maintenance Need Income Level and Property Limits.)

- Full Amount

Anytime there is an adult in a mini budget unit, that mini budget unit will receive the full MNIL or property limit based upon the number of persons in the MBU.

Each MBU in a caretaker relative situation will receive the full MNIL or property limit.

A child or children in an MBU who have no natural or adoptive parents in the MFBU will receive the full MNIL or property limit.

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An ineligible minor parent in his/her child(ren)'s MBU is considered an adult.

- Prorated Amount

In households where one or both parents are present, each MBU which contains only children will receive a prorated MNIL or property limit based upon the number of persons in the MBU and the number of responsible relatives. These amounts were determined in the following manner:

- a) Determine the MNIL or property limit for a family which consists only of the natural/adoptive parent(s) and the total number of eligible and ineligible children in a MBU;
- b) Divide by the number of persons in step 1;
- c) Multiply the result by the total number of eligible and ineligible children in the MBU;
- d) Round up result to the nearest dollar. The result is the MNIL or property limit for the entire MBU.

(See Appendices C & D for examples of property limits and MNIL.)

11. NOTICES OF ACTION AND SHARE-OF-COST

- Each MBU may receive its own notice of action.
- Only one Status Report for the MFBU is required.
- Each MBU will have its own share-of-cost.
- Each eligible member of an MBU will be included as eligible in the MBU.
- Each ineligible member of an MBU will be included as ineligible in the MBU.
- Natural/adoptive parents will be listed as responsible relatives for their eligible children who are in a separate MBU.
- When an entire stepparent household wants Medi-Cal, or the separate child and his/her parent want Medi-Cal, but the stepparent has no linkage to the Medi-Cal program (i.e., stepparent has no deprived children, stepparent not ABD, spouse is not incapacitated), current regulations concerning MFBU composition apply, i.e., the stepparent is an ineligible member of the MFBU. If Sneed procedures apply to the MFBU, the ineligible stepparent is included as an ineligible member of his/her eligible spouse's MBU.

12. MEDICAL EXPENSES USED TO MEET THE SHARE-OF-COST

A responsible relative's medical expense for a single service may be split up and applied

towards the share-of-cost in his/her own MBU, his/her natural adoptive child's MBU, or both. However, the total amount of the expenses applied towards the share-of-cost cannot exceed the original medical expenses; nor may the full medical expense be used more than once. All other eligible and ineligible family members can only apply their own medical expenses towards his/her MBU's share-of-cost.

Eligible parents will be issued their Medi-Cal cards when the share-of-cost is met in their own mini budget unit. It is not necessary to delay issuing the parent's Medi-Cal cards just because the share-of-cost in their children's MBUs was not met. (See Appendix E for example of NOAs, SOC forms and use of medical expenses.)

13. SPECIAL ZERO SHARE OF COST PROGRAMS FOR PREGNANT WOMEN, INFANTS AND CHILDREN UNDER 6 YEARS OLD (INCOME DISREGARD/100% AND 133% PROGRAMS)

ACWDL
94-07

A. MBUs and Share of Cost

- 1) Depending upon the amount of income each MBU has, the various MBUs may or may not have a share of cost. If the MBU of the pregnant woman, infant, child(ren) under age 6 or child age 6 through 18 does not have a share of cost, do not consider them for the special zero share of cost programs.

- 2) Net Nonexempt Income

Use full net nonexempt income (not allocated amounts) of the applicant/beneficiary and his/her responsible relative to determine eligibility to the special zero share of cost programs. The worker will apply only AFDC-MN/MI deductions and exemptions, and add back any health insurance premiums which may have been deducted in the SOC computation. For ABDs, substitute all ABD deductions and exemptions with AFDC-MN/MI deductions and exemptions.

- 3) Family Size

Compare the net nonexempt family income to the federal poverty level for the whole MFBU.

ACWDL
92-09

Examples:

- Pregnant Minor - use only the income of the pregnant minor and her natural/adoptive parents.

Compare this income to the federal poverty level for the whole MFBU.

- Pregnant Woman - use only the income of the pregnant woman and her husband, if married.

ACWDL
92-09

- Compare this income to the federal poverty level for the whole MFBU.

- Child under six years old - use only the income of the child and his/her natural or adoptive parent(s).
- Compare this income to the federal poverty level for the whole MFBU.

See Appendices F, G, H (examples of percentage programs).

APPENDIX A

EXAMPLE OF INCOME ALLOCATION

A family of four (mother-Jane, father-John, their mutual child-Joy and the mother's separate child-June) are receiving Medi-Cal. The mother has unemployment benefits of \$700 per month and the father has unemployment benefits of \$800 per month. The children (ages 15 and 16) have no income. Since the family has a SOC based on MNIL of \$1,100, Sneed rules (as modified by Gamma) would apply.

Mother

Total Countable Income	\$ 700.00
Less parental/spousal(p/s) needs deduction	- <u>\$ 600.00</u>
Mother's income to be allocated	\$ 100.00
Number of persons for whom Mother is responsible (Father, mutual child, and Mom's separate child)	3
Mother's equal allocation to spouse and natural/adopted children	\$ 33.34 each

Father

Total Countable Income	\$ 800.00
Less parental/spousal(p/s) needs deduction	- <u>\$ 600.00</u>
Father's income to be allocated	\$ 200.00
Number of persons for whom Father is responsible (Mother, mutual child)	2
Father's equal allocation to mother and natural/adopted children	\$ 100.00 each

MBU #1

(Mother, Father, Mutual Child)

Mother's Own Share	\$ 600.00
Mother's Allocation from Father	100.00
Father's Own Share	600.00
Father's Allocation from Mother	33.34
Child's Allocation from Mother	33.34
Child's Allocation from Father	<u>+100.00</u>
Total	\$1,466.68
Minus MNIL for 3	<u>-934.00</u>
SOC	\$ 533.00

MBU #2

(Separate Child)

Allocation from Mother	<u>\$ 33.34</u>
Total Income	33.34
Minus MNIL	<u>-375.00</u>
SOC	\$ 0.00

Compute the share of cost for a family of two (mother - Barbara and daughter - Beverly). The mother has unemployment benefits of \$350 per month. Daughter (age 17) receives child support of \$530 per month. Since the family has a SOC based on MNIL of \$750, Sneede rules (as modified by Gamma) would apply.

Mother

Total Countable Income	\$350.00
Less parental/spousal(p/s) needs deduction	- <u>\$600.00</u>
Mother's income to be allocated	\$ 0.00

Number of persons for whom Mother is responsible (daughter)	1
---	---

Mother's allocation to spouse (if any) and natural/adopted children	\$ 0.00
---	---------

MBU #1

(Mother)

Mother's Own Share	<u>\$ 350.00</u>
Total Income	350.00
Minus MNIL	<u>-600.00</u>
SOC	\$ 0.00

MBU #2

(Child)

Child's own net nonexempt income after child support deduction	<u>\$ 480.00</u>
Total Income	\$ 480.00
Minus MNIL	<u>-375.00</u>
SOC	\$ 105.00

Mother-Sandy, spouse-Steve, and the mother's separate child-Sadie are receiving Medi-Cal. The family receives free housing, valued at \$450.00 per month. The mother has unemployment benefits of \$700 per month and in-kind housing of \$150 per month. The mother has a health insurance payment of \$30.00 per month. The mother's spouse has unemployment benefits of \$700 per month and in-kind housing of \$150 per month. The mother's separate child has in-kind housing of \$150 per month. Since the family has a SOC based on MNIL of \$934, Sneede rules (as modified by Gamma) would apply.

Mother

Total Countable Income	\$ 850.00
Less Health Insurance	<u>- 30.00</u>
Total Net Countable Income	\$ 820.00
Less in-kind income	-150.00
Less parental/spousal(p/s) needs deduction	<u>-600.00</u>
Mother's income to be allocated	\$ 70.00

Number of persons for whom Mother is responsible (spouse and daughter)	3
--	---

Mother's allocation to spouse and natural/adoptive children	\$ 35.00 each
---	---------------

Spouse

Total Countable Income	\$ 850.00
Less in-kind income	-150.00
Less parental/spousal(p/s) needs deduction	<u>-600.00</u>
Spouse's income to be allocated	\$ 100.00

Number of persons for whom spouse is responsible (wife)	1
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Spouse's allocation to spouse	\$ 100.00
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MBU #1

MBU #2

(Mother and Spouse)

(Separate Child)

Mother's Own Share	\$ 600.00	Child's own net nonexempt income	\$ 150.00
Mother's in-kind income	150.00	Allocation from mother	<u>+33.34</u>
Mother's allocation from spouse	100.00	Total Income	\$ 185.00
Spouse's Own Share	600.00	Minus MNIL	<u>-375.00</u>
Spouse's in-kind income	150.00	SOC	\$ 0.00
Spouse's allocation from mother	<u>+ 35.00</u>		
Total	\$1,635.00		
Minus MNIL for 2	<u>-934.00</u>		
SOC	\$ 701.00		

APPENDIX A4a

STEPPARENT CASE WHEN ONLY THE SEPARATE CHILD(REN) OF ONE PARENT WANTS MEDI-CAL

When only the separate child(ren) of one spouse wants Medi-Cal, the worker will use only the child(ren)'s own income, if applicable, and the balance of the ineligible parent's income which is available to the members of the MFBU, after having been allocated to the nonmembers of the MFBU for whom he/she is responsible.

ACWDL
#97-33

Mother (Sally) wants Medi-Cal for her two separate children (Susie, age 5 and Shauna, age 4). Sally, her husband (Sam) and their mutual child (Steven) do not want Medi-Cal. Sally works and earns \$1,710 per month. Susie and Shauna have no income of their own. The MFBU consists of Susie, Shauna and Sally (as an ineligible parent).

Determination of Balance of Mom's Income Available to the MFBU and the MFBU's SOC

A. Determine allocation to the family members not in the MFBU.

\$1,710	Sally's gross earnings
<u>- 90</u>	Work deductions
\$1,620	Net nonexempt income
<u>- 600</u>	Parental needs deduction
\$1,020	Divided by 4 (Sam, Susie, Shauna, Steven) = \$255 to each
\$510	To Sam and Steven, not in the MFBU

B. Net balance to the MFBU

\$1,620	Sally's net nonexempt income
<u>- 510</u>	Allocation to non MFBU members for whom Sally is responsible.
\$1,110	Net balance available to the MFBU from Sally.

C. MFBU's SOC computation

\$1,110	Net balance available to the MFBU from Sally.
0	Susie's income
<u>0</u>	Shauna's income
\$1,110	Total net nonexempt income
<u>- 934</u>	MNIL for 3
\$176	SOC

APPENDIX A4b

Since the MFBU has a SOC and the two girls are aged 5 and 4, they are potentially eligible for the 133% program. (Note: Sneede is not applicable in this case because the girls do not have income of their own. If the girls had income of their own, Sneede procedure would apply before eligibility is determined for the FPL programs.)

133% Program Eligibility Determination for Each Child

Susie

\$1,110 Balance of Mom's net nonexempt income
0 Susie's income
 \$1,110 Total net nonexempt income

Shauna

\$1,110 Balance of Mom's net nonexempt income
0 Shauna's income
 \$1,110 Total net nonexempt income

Compare the \$1,110 total net nonexempt income to 133% FPL for three* which is \$1,478 (4/97). Since the net nonexempt income is less than the 133% FPL for the MFBU, Susie and Shauna are eligible for zero SOC Medi-Cal under the 133% program.

*In stepparent cases, when only the separate children of one of the parents want Medi-Cal, the FPL is compared to only the number of persons in the MFBU and not to the other family members even though income was allocated to the other family members.

Children With Income of Their Own

If Susie and Shauna each had income-in-kind of \$237.50, Sneede procedures would apply as follows (Note: in this case, the MFBU's SOC under C, in Appendix A 4a would be different):

MBU #1 (Susie)

Allocation from Sally	\$255.00
Susie's income	<u>\$237.50</u>
Total	\$492.50
Minus MNIL	<u>-375.00</u>
SOC	\$117.50

MBU #2 (Shauna)

Allocation from Sally	\$255.00
Shauna's income	<u>\$237.50</u>
Total	\$492.50
Minus MNIL	<u>\$375.00</u>
SOC	\$117.50

Because Susie and Shauna have a SOC under Sneede, they will then be evaluated for the 133% program using the procedures provided above. If Sneede results in zero SOC, there is no need to go to Special Percentage programs.

APPENDIX B

EXAMPLE OF PROPERTY ALLOCATION

A stepparent household is comprised of a married couple, the mom's separate child, and the couple's mutual child. They all apply for Medi-Cal; the MFBU has excess property. The parents own one car, the separate child owns a \$700 car, and the mutual child owns a \$900 car. The County exempts the parents' car, which is the most expensive. The MFBU's net nonexempt property consists of the following:

Dad:	\$3000 separate property
	\$1000 1/2 community property
Mom:	\$1000 1/2 community property
Separate Child:	\$700 value of car
Mutual Child:	\$900 value of car

The MFBU's net nonexempt property of \$6600 exceeds the property limit of \$3300 for a family of four. The County shall apply the interim Sneed procedures to determine whether the family is property eligible. If any of the family members are determined to be property eligible under these procedures, the County will determine whether they have an SOC under the non-Sneed rules. If there is an SOC, the County will also determine the share-of-cost under these interim procedures.

Step 1. Responsible Relative Determination

Parent/Spouse	Dad	Mom
Others for Whom the Parent/Spouse is Responsible:	Mom Mutual Child	Dad Mutual Child Separate Child
	(3)	(4)

Step 2. Property Allocation

<u>Dad</u>	<u>Mom</u>
\$3000 separate property	\$1000 1/2 community property
+1000 1/2 community property	
\$4000 total net nonexempt	
÷ 3 = \$1333.33 each	÷ 4 = \$250 each

Step 3. Each Person's Net Nonexempt Property

Dad

\$1333.33 dad's
+ 250.00 from mom
\$1583.33 net

Mom

\$1333.33 from dad
+ 250.00 mom's
\$1583.33 net

Mutual Child

\$1333.33 from dad
+ 250.00 from mom
+ 900.00 own
\$2483.33 net

Mom's Separate Child

\$ 250 from mom
+ 700 own
\$ 950 net

If any of these persons are ineligible due to excess property, the County may need to review the car exemption to determine whether eligibility can be established for any of the ineligible persons. If this review results in eligibility to a different family member, the applicant or beneficiary will need to indicate which car is to be exempt.

APPENDIX C

EXAMPLE OF PROPERTY LIMITS

A married blind couple and their three mutual children applied for Medi-Cal on January 1991. Each child has a savings account of \$900 each. The parents have nonexempt property of \$1100. Their combined property of \$3800 exceeds the existing property limit of \$3450 for a family of 5.

The parents will be in an MBU by themselves and each child will be in a separate MBU since they each have property of their own. The parents will be given the full property limit for 2 persons (\$3000).

Each of the siblings will be given a prorated property limit based upon the total number of persons in the MBU and the number of natural/adoptive parents. The property limit for each child = \$1050 (1/3 of \$3150 property limit for family of 3).

Step 1. Responsible Relative Determination

Parent/Spouse	Husband	Wife
Others for Whom the Parent/Spouse is Responsible:	Wife Child A Child B Child C (5)	Husband Child A Child B Child C (5)

Step 2. Property Allocation

Husband

\$550 ½ community property
÷ 5 = \$110 per person

Wife

\$550 ½ community property
÷ 5 = \$110 per person

<u>MBU Composition:</u>	<u>MBU #1</u>	<u>MBU #2</u>	<u>MBU #3</u>	<u>MBU #4</u>
	Child A	Child B	Child C	Mom & Dad

Step 3. <u>Property Limit:</u> (Standard property limit for family of 3 = \$3150)	<u>MBU #1</u>	<u>MBU #2</u>	<u>MBU #3</u>	<u>MBU #4</u>
	1/3 of \$3150 = \$1050*	1/3 of \$3150 = \$1050*	1/3 of \$3150 = \$1050*	Full property limit for 2 persons = \$3000

* A child with 2 parents

Step 4. Property Determination:

<u>MBU #1</u>	<u>MBU #2</u>	<u>MBU #3</u>	<u>MBU #4</u>
<u>Child A</u>	<u>Child B</u>	<u>Child C</u>	<u>Mom & Dad</u>
\$ 900 own net	\$ 900 own net	\$ 900 own net	+ 110 from mom
+ 110 from mom	+ 110 from mom	+ 110 from mom	+ 110 dad's net
<u>+ 110</u> from dad	<u>+ 110</u> from dad	<u>+ 110</u> from dad	+ 110 mom to dad
\$1120 net	\$1120 net	\$1120 net	<u>+ 110</u> dad to mom
<u>- 1050</u> limit	<u>- 1050</u> limit	<u>- 1050</u> limit	\$ 440 total
\$ 70 excess	\$ 70 excess	\$ 70 excess	<u>-3000</u> limit
			\$ 0 excess

All three children are ineligible due to excess property. Only Mom and Dad are property eligible. The couple is still linked to the Medi-Cal program because they are blind.

The MBU compositions for the parents' SOC determination will be determined on the basis of whether the mutual children have income of their own. If none of the children have income of their own, do not apply these procedures to the parents' SOC determination since it is not a Sneed case. If only one or two of the children have income of their own, new MBUs must be established.

APPENDIX D

EXAMPLE OF NOAs, SHARE-OF-COST FORMS AND USE OF MEDICAL EXPENSES

A stepparent household consists of a married couple and the wife's separate child. Both the parent and the separate child want Medi-Cal. The wife is not incapacitated and her spouse has no Medi-Cal linkage. Assume the MFBU has a SOC under existing regulations.

I. Responsible Relative Determination

Parent/Spouse	Husband	Wife
Others for Whom the Parent/Spouse is Responsible:	Wife	<Husband> Separate Child

The husband allocates income to his wife; the wife allocates income to herself, her husband, and her separate child.

II.	<u>MBU #1</u>	<u>MBU #2</u>
	<Husband> and Wife	Separate Child

III. NOAs and Share-of-Cost

Separate notices shall be issued to each MBU.

The mother may split up her expense for a medical service and apply it towards the share-of-cost in MBU #1, MBU #2, or both. However, she cannot use the entire medical expense in both MBUs nor may the total amount applied towards the share-of-cost exceed the original medical expense.

The stepfather's medical expenses can only be applied towards his wife's share-of-cost. The child can only apply his medical expenses towards his/her own share-of-cost.

APPENDIX E

Example of Special Zero Share of Cost MFBU: UNMARRIED COUPLE

The MFBU consists of a family of 5: an UNMARRIED man, an UNMARRIED pregnant woman, the mutual unborn, the man's separate child (age 9), and the woman's separate child under age one with his/her own income.

MFBU

Unmarried Man
Unmarried Woman
Mutual unborn child
Woman's separate child under one year with own income
Man's separate child 9 years old - no income

Assume the MFBU is property eligible and has a SOC under the existing regulations. The county applies the Sneede procedures to the share of cost determination. In this case, assume that the MBUs with the pregnant woman and her separate child under one each have a share of cost under the Sneede procedures.

<u>MBU #1</u>	<u>MBU #2</u>	<u>MBU #3</u>
unmarried man man's separate child	unmarried woman unborn child	woman's separate child under 1 year
(with SOC or zero SOC)	(SOC)	(SOC)

The pregnant woman, her unborn, and the woman's separate child are now potentially eligible to the special zero share of cost programs.

Income Disregard Program

- (1) When determining Income Disregard program eligibility for the unmarried pregnant woman, use only her income and compare it to 200 percent of the federal poverty level for the number of persons in the MFBU;
- (2) When determining Income Disregard program eligibility for the woman's separate infant under one year old, use only the income of the infant and his/her unmarried mother. Compare this amount to 200 percent of the federal poverty level based upon the number of persons in the MFBU.

APPENDIX F

Example of Special Zero Share of Cost MFBUs: Married Couple

The existing MFBUs consist of a family of 5: a married couple, their unborn child, the husband's separate child (age 9), and the wife's separate child under age one with this his/her own income.

MFBUs

Husband

Wife

Unborn

Wife's separate child under one year old with own income

Husband's separate 9-year old child - no income

Assume the MFBUs are properly eligible and have a SOC under the existing regulations. The county applies the Sneed procedures to the share of cost determination. In this case, assume that the MFBUs with the pregnant woman and her separate child under one year each have a SOC under Sneed procedures.

MFBUs #1

Husband

Wife

Unborn

(with SOC)

MFBUs #2

Husband's separate child

(SOC)

MFBUs #3

Wife's separate child

under 1 year old

(SOC)

The pregnant woman, her unborn, and the woman's separate child are now potentially eligible to the special zero share of cost programs.

Income Disregard Program

- (1) When determining Income Disregard program eligibility for the pregnant woman, use her income and that of her husband. Compare this amount to the federal poverty level based upon everyone in the MFBUs.
- (2) When determining Income Disregard program eligibility for the wife's separate infant under one year old, use only the income of the infant and his/her mother. Compare this amount to the federal poverty level based upon everyone in the MFBUs.

APPENDIX G

Example of Special Zero Share of Cost MFBU: Caretaker Relative Household

The MFBU consists of a family of 3: a grandmother (caretaker relative) and her daughter's two children. The children are age 2 and 5. The children each receive social security benefits.

MFBU

Caretaker Relative

Child A - \$

Child B - \$

Assume the MFBU is property eligible and has a share of cost under existing regulations. The county applies Sneed procedures to the share of cost determination. Assume that the children's MBUs have a share of cost under Sneed.

<u>MBU #1</u>	<u>MBU #2</u>	<u>MBU #3</u>
Caretaker Relative	Child A - \$	Child B - \$
(with SOC or zero SOC)	(SOC)	(SOC)

The two children under age 6 are now potentially eligible to the special zero share of cost programs.

133 Percent Program

When determining 133 Percent program eligibility for the two children under age 6, determine each child separately:

Child A - use only Child A's income and compare it to the federal poverty level for three persons.

Child B - use only Child B's income and compare it to the federal poverty level for three persons.

APPENDIX H

<u>SNEEDE V. KIZER</u>			<u>EFFECTIVE: 1/1/90</u>	
<u>MAINTENANCE NEED INCOME LEVELS (MNIL) AND PROPERTY LIMITS</u>				
I. MNIL/Property Limits for Adults. No Children in Mini Budget Unit				
Person Type		MNIL	Property	
Single Parent		600	2,000	
Single Parent with Unborn		750	3,000	
Married Couple (two adults)		934	3,000	
Married Couple with an unborn		934	3,150	
Unmarried Couple for Each Unmarried Partner		600	2,000	
II. MNIL/Property Limit for Mini Budget Unit (MBU) Which Contains Parent(s) and Child(ren) – May include an unborn.				
Allow the full standard/non-Sneede MNIL/property limits for the MBU based upon the number of persons in the MBU.				
III. MNIL/Property Limit for Caretaker Relative Household				
Caretaker relative in same MFBU with children for whom care is provided. Each MBU receives full standard/non-Sneede MNIL/Property limit based on the number of persons in each MBU. If there is a pregnant minor in MFBU, include unborn in pregnant minor's MBU.				
IV. MNIL/Property Limit for Mini Budget Unit Which Contains Only Child(ren) Living With Natural/ Adoptive Parent(s). Do not include parents who are not in the MFBU (i.e., the parent is PA/other PA). May include unborn of pregnant minor if unborn is in same MFBU.				
No. of Children In MBU	One Parent		Two Parents	
	MNIL	Property	MNIL	Property
1	375	1,500	312	1,050
2	623	2,100	550	1,650
3	825	2,475	756	2,070
4	1,008	2,760	945	2,400
5	1,181	3,000	1,108	2,679
6	1,329	3,215	1,269	2,925
7	1,481	3,413	1,420	3,150
8	1,623	3,600	1,568	3,360
9	1,764	3,780	1,615	3,560
10	1,794	3,955	1,656	3,750
11	1,822	4,125	1,694	3,935
12	1,848	4,293	1,728	4,115
13	1,872	4,458	1,759	4,290